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# Motives for starting up a side activity in rural areas in the Netherlands

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## Abstract

This paper explores the side activities of non-farmers in rural areas in the Netherlands and more specifically their start up motives. A side activity is a small-scale home-based activity, which provides a supplementary income to the household. Side activities may have the potential to diversify the economic base of rural areas and to contribute to the quality of life and the social well-being in rural communities. Yet, little is known about their role for the development of rural areas. Furthermore, to date, rural policies have largely neglected non-farmers' side activities in their rural development strategies partly because of their small size and partly because of the lack of available data in business registers. This study, by exploring the side activity motives, brings to light the specific needs and aspirations of the owners and is based on the results of 260 interviews by side-activity owners. The results highlight that the owners are mainly oriented towards non-economic benefits corresponding to the individuals' needs, dreams and desires, while financial betterment falls into a secondary place. People are in search of a different type of pay-off than economic rewards, namely the opportunity for a better quality lifestyle. This is relevant for policy makers because of the potential contribution of side activities to providing services, diversifying rural activities and adding to the resilience of rural communities.

## Keywords

home-based businesses, side activities, start-up motives, the Netherlands

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## Introduction

Rural areas in western societies have become increasingly multifunctional. They are no longer places primarily for agricultural production but are increasingly also used as places for leisure, recreation and other types of economic activities (Blekesaune et al., 2010; Van Dam et al., 2002). The increasing demand of modern society for recreational and tourist activities, quality and regional food production and the protection of biotopes and wildlife offers new possibilities for additional income generation (Barbieri and Valdivia, 2010; O'Connor et al., 2006; Van Huylenbroeck et al., 2007). In addition, the decline of the agricultural industry may stimulate people to look for alternative sources of income. Both developments have led to a resurgence of secondary activities and alternative employment arrangements in rural areas. Much of the existing research and rural policies have focused on pluriactivity, multifunctionality and diversification by farmers (Seuneke et al., 2013; Van Huylenbroeck et al., 2007). However, the same developments stimulate off-farm development of alternative economic activities. In fact, Markantoni and Strijker (2012) show that three quarters of side activities in rural areas in the Netherlands are initiated by non-farmer rural residents. As such, off-farm secondary activities by non-farmers are a relevant aspect in the diversification of the economic base of rural areas, and they can contribute to the quality of life and social well-being of rural communities (Delfmann et al., 2013). Yet, little is known about the labour market strategies and the economic impact of rural residents with secondary activities. This paper takes a step towards that direction by examining the motivations to start such an off-farm secondary activity.

Specifically, we examine side activities which we define as ‘a home-based activity,

which provides a supplementary income at the household level’ (see also Markantoni, 2012: 25). Side activities are undertaken by one member of a household, though direct family members and friends may be involved. The member of the household most involved in the side activity either combines the side activity with paid employment (full-time/part-time), or combines the side activity with household tasks, while another household partner provides the main household income.

Given the potential impact of side activities on the revitalization of rural communities and the provision of services to the community and tourists, local governments are generally keen on supporting side activities (Markantoni et al., 2013b). In contrast, local residents are sometimes concerned that side activities may grow into a nuisance, for example because of additional traffic by customers (Markantoni et al., 2013a). In this context, it is important to assess which motives are behind the decision to start a small-scale side activity for various reasons. First, from a policy perspective, understanding the motives can inform how can policy makers effectively facilitate or control such developments in rural communities. Insight into motives can also reveal the future potential of these activities and it can also have implications not only for the level of local services provided but also on their impact on the physical environment and potential associated nuisances. In a more general sense, looking at start-up incentives can show to what extent side activities can be regarded as genuine business endeavours and whether they should be approached as such in research as well as in policy. Finally, the motivation for start-up can reveal whether the decision to start was a reaction to potential adverse economic circumstances including unemployment or whether it rather was a more positive choice based on, for example, an internal drive to start a small business.

This distinction is important as it can inform the expected broader impact for the socio-economic development of the rural communities in which the side activities are located (Acs, 2006).

## Positioning side activities

As there is little research on side activities by non-farmers as such, we sketch the theoretical backbone from related economic activities that are conceptually similar, that is, *side activities by farmers, small home-based businesses* and *hobby activities*.

Side activities by non-farmers are conceptually similar to the secondary activities of farmers. Myriad terms are used to describe farmer's side activities. Bessant (2006), Bock (2004) and Herslund (2007) use the terms: 'pluriactivity', 'diversification', 'other gainful activities', 'non-farm' and 'off-farm' activities of farmers. The main *a priori* distinction between farmers and non-farmers and their side activities is that the resources at their disposal differ, both in type and quantity. Normally, non-farmers have less land, no large buildings (e.g. barns) and different knowledge and training at their disposal. As such, the motives for and the activities of the side activities may differ greatly (McGehee and Kim, 2004). Given the fact that the production process is land-based and also taking into account the high sunk costs in buildings and machinery, farmers may be forced into pluriactivity in order to compensate for a loss in profitability in the main (farming) occupation. Alsos et al. (2003) indeed show that the resources available are important in their decisions to diversify.

Side activities can also be viewed as special cases of small businesses, and within that of micro-businesses and home-based businesses. Side activities are indeed very small activities, and there are seldom more than three persons engaged, nearly always family members (see Markantoni et al.,

2013a). However, small businesses are generally intended to generate a significant part of the income for the owner. Side activities by definition differ in this respect as they provide a supplementary and usually small part of the household income.

Because side activities aim to generate an extra income, they conceptually differ from hobbies. However, in terms of non-economic rewards (e.g. pleasure, enjoyment), side activities may share some similarities with hobbies because people do not have to make a living from them either.

Although non-farmer side activities have both similarities and differences to the above (farmer side activities and hobbies), or are a very specific case of a larger group (small businesses, micro-businesses, home-working), in this paper we will apply those concepts to guide the analysis of the start-up motives.

## Start-up motives of farmers and non-farmers

As yet, there is limited empirical material or a conceptual framework regarding side activities and more specifically on the start-up rationale behind them. In order to inform our expectations of their motives, we apply elements of existing literature on the start-up motives of the aforementioned activities: the farmer group (motives to become pluriactive) and the non-farmer entrepreneur group (motives to start a small business/home-business). The aim of this paper is not to conceptualize the process in which individuals become motivated, i.e. to uncover the unconscious motivation dynamics or the 'behavioural repertoire' (Turner et al., 1987: 20). We simply want to understand why individuals start side activities.

The fact that home-based businesses are mixed-use spaces (for living and working) where the presence of other household members and their activities cannot be

separated implies that household members play a crucial role in the starting of these businesses. In this respect, Aldrich and Cliff (2003) and Markantoni and van Hoven (2012) show that the decision to start a business is tied to the lives, backgrounds and household situations of the participants. Although the household as a unit plays an important role in the decision-making process, it is difficult to study the household as a whole to determine the start-up motives. Likewise, the literature review below mainly refers to and examines motives at the individual level. Therefore, when examining start-up motives, we first turn to individual motives as the ones that highlight what triggers people to start a side activity.

### *Motives to become a pluriactive farmer*

Motives to become a 'pluriactive' farmer, i.e. to earn an income from economic activity other than farming, have been extensively researched (see Bessant, 2006; Van Huylenbroeck et al., 2007).<sup>1</sup> Pluriactivity is often understood as a response to survive the cost-price squeeze experienced in modernized agriculture and as a means of reducing income fluctuations (Van der Ploeg and Roep, 2003). It is seen as a survival strategy (Bowler et al., 1996) but also as a way to achieve social status (Nickerson et al., 2001) and to participate in different social contexts (De Vries, 1993). Furthermore, the desire for independence (Taylor and Little, 1990), the need for flexible working hours (Bowler et al., 1996), career-related and life-style considerations (Barlett, 1986; Bessant, 2000), and the desire to contribute to the community (McGehee et al., 2006), because an activity is fun and exciting (Hendriksen and Klaver, 1995), or even a hobby (Nickerson et al., 2001), have also been reported as reasons for farmers to engage in a supplementary activity, and especially for female farmers (Bock, 2004).

In addition, farmers may have the necessary resources available to start a secondary activity. They probably have the land and space required or even spare time as a result of the mechanization and automation of agriculture, which could also function as motives for becoming pluri-active (see the resource-exploiting entrepreneur by Alsos et al., 2003).

Another start-up motive as identified in literature is the preference for living in the countryside. Kristensen and Primdahl (2004: 3) argue for example that the decision to live in the countryside 'may be linked to the farm as a place or a property and based partly on culturally rooted traditions and functions related to the farm as a place to live...'. In line with that, a study by Primdahl et al. (2010) also shows that issues related to rural living and recreation are of importance in agriculture, especially among part-time hobby farmers who at the same time are also the people who introduce urban ideas, capital and income.

From the earlier discussion, it can be argued that pluriactivity by farmers is informed by motives that are derived from the management of the farm. Given the lack of resources related to an already existing business, we expect this aspect to be less important for non-farmers. Finally, personal motives, as commonly documented in small business literature also play an important role. The latter is also likely to influence the decision of non-farmers to start a side activity.

### *Motives to start a small business*

Traditionally, it is assumed that economic motives or, in other words, the prospect of profits are crucial for starting a business (Longenecker et al., 2003). Also when starting a home-based business, although in general they are small scale, the aim is principally to generate a main source of income for the household or to supplement

the main income to a significant degree (Oberhauser, 1995). Oberhauser in her research in rural Appalachia in the USA argues that working from home is a household income survival strategy especially in rural and remote areas. The assumption of purely economic motivations conforms to basic mainstream economic theory. Empirically, however, the pecuniary gain from self-employment has been shown to be a factor of secondary importance. Georgellis et al. (2007), for example, observe no effect of the level of income from the business on the decision to stay self-employed.

Empirical information suggests the importance of non-economic motives for setting up a small business. Personal satisfaction and a flexible lifestyle (Walker and Brown, 2004), the effective use of time and balancing personal with family life (Anthopoulou, 2010), supporting a desired lifestyle (Ateljevic and Doorne, 2000; Lewis, 2006), and achieving quality of life or the need to be independent (Van Gelderen and Jansen, 2006) are considered to be important reasons. Socio-psychological reasons interact in the start-up decision alongside financial betterment. However, if the business is the primary source of income of a small business owner, it is implied that economic viability is an important factor in the survival of the firm. The implied relevance of income is less applicable to side activities, precisely because they are secondary to the main source of income by definition.

Non-economic incentives are specifically exemplified by lifestyle entrepreneurs, who are primarily driven by lifestyle rewards (Lewis, 2006). Lifestyle entrepreneurs are seeking to support a better lifestyle (Deakins and Freel, 2003), enjoyment in their lives (Henricks, 2002) or want to achieve self-fulfilment (Buttner and Moore, 1997). However, even if lifestyle entrepreneurs are primarily aiming for quality of life through their business, they also want to achieve a certain income. This lifestyle

orientation does not necessarily mean 'financial suicide', but an opportunity to be engaged in something that they enjoy and which brings them pleasure (Ateljevic and Doorne, 2000, Brown et al., 1998; Gomez Velasco and Saleilles, 2007), which is close to what is expected for side activities.

Starting a business is not, therefore, organized around a single purpose or one type of motive. It is rather a mix of economic and non-economic rewards. As side activities aim to generate an extra and not a main income, we expect non-economic rewards to be particularly important for their owners and to be closely aligned to lifestyle entrepreneurs. Also, given the specific context in which the side activities are started, motives related to trying to make a contribution to the community may play a role as they do for farmers who start a side activity. An explicit goal could be the provision of amenities and services in the local community, for example.

## **Data, methodology and the profile of the respondents**

### *Data collection and methodology*

Datasets or secondary data of side activities are lacking. A key reason for their 'invisibility' is that not all activities are registered in the national business register. If they are, they are not explicitly recorded as side activities and as such difficult to identify. Therefore, in order to gather the necessary data, we travelled through the countryside and looked for roadside signs to identify them. To avoid missing cases, the snowballing method was also applied to the latter. Five per cent of the respondents were identified through snowballing. The detailed method in which the data were collected is described by the broader study of Markantoni (2012).

The study was conducted in rural areas in the Netherlands. A specific characteristic of the Netherlands is that its countryside is



relatively urbanized in comparison to many other countries in Europe. A city can be reached within half an hour from almost anywhere in the Netherlands (OECD, 2008), implying that access to rural areas is relatively easy. The latter could also assist the combination of work with a side activity.

Despite the fact that the Netherlands is a highly urbanized country, there are many rural areas in Europe comparable to the Dutch countryside such as Belgium, Luxembourg, West Germany, UK based on population density (Eurostat, 2010; OECD, 2010). We would therefore expect the results of this study to be relevant and open to comparison to those countries.

Side activities are a phenomenon occurring at the household level (as the unit of consumption and income-pooling). As mentioned earlier, we examine the motives of the household member most involved in the side activity, providing us with an indication of the rationale behind the side activity. Through this household member, we gathered information about the broader household characteristics.

The data were collected by means of face-to-face interviews. This method was chosen because it offered personal interaction with the respondents and the opportunity to get a deeper understanding of side activities. In total, 506 side activities by non-farmers were found. From these, 260 interviews were conducted, resulting in a response rate of 51%. This response rate is relatively high compared to other small business sector studies (Greenbank, 2001). The questionnaire consisted of open-ended and closed-ended questions about the respondent, the household and the side activities, about start-up motives, location choice and growth expectations.

### *Descriptive profile of the respondents*

As we are interested in the motives of the household member most involved in the

side activity, we sketched their profile first. Regarding age, 40.6% of the respondents ranged from 30 to 44 years old when they started their activity (Table 1). A small proportion of the respondents (6.3%) were above the age of 60 (the mean share in the 36 municipalities was 17.5%, CBS Statline, 2010a), indicating that few retirees start side activities. This could imply that these activities are not just filling up their free time. Concerning gender, 61% of those involved in side activities are females which is in line with previous empirical evidence showing that women are more prone to starting a home-based business as they can combine it with domestic duties, and finding a 'work-life balance' (Still and Timms, 2000). In rural areas, the traditional division of labour still places most of the household and family management on women's shoulders (Anthopoulou, 2010).

The respondents are relatively highly educated (30%) when compared with the working population in the 36 municipalities (16–65 years old, 23.1%).<sup>2</sup> Another characteristic is their employment status. The results show that 49.8% of the respondents were in paid employment, 29.6% stayed at home while their partner brought the main income, and a small proportion received social security benefits or a pension.

Examining the household composition, 48.2% of the respondents were married/in a partnership without children. Single parents and singles form a minority group. For the whole population, 35% are married/in a partnership without children (CBS Statline, 2010b), indicating that side activities are more common among multi-person households, perhaps again indicating side activities can be a means to balance different interests in the household.

The respondents were also asked to indicate the annual net household income (i.e. the net income of all working household members). Forty-five per cent earn between EUR 20,000 and 40,000, similar to the

**Table 1.** Respondent characteristics ( $n = 260$ ).

In relation to the individual	Count	Valid % of total responses	In relation to the household	Count	Valid % of total responses
<i>Age at start-up</i>			<i>Marital status</i>		
Under 30	47	18.5	Single no children	21	8.2
30–44	103	40.6	Single with children	5	1.9
45–59	88	34.6	Married/partnership no children	124	48.2
60 or more	16	6.3	Married/partnership with children	107	41.6
<i>Gender</i>			<i>Number of children</i>		
Male	101	39.0	None	150	57.7
Female	158	61.0	One child	31	11.9
<i>Education level</i>			Two children	44	16.9
Primary	24	9.4	Three or more children	35	13.5
Secondary	155	60.0	<i>Annual household net income<sup>a</sup> (EUR)</i>		
Higher	79	30.6	<10,000	6	5.3
<i>Employed or not?</i>			10–20,000	26	23.0
Salaried employed	128	49.8	20–40,000	51	45.1
Housewife/husband	76	29.6	>40,000	30	26.5
Pension	20	7.8	<i>Annual side activity net income<sup>b</sup> (EUR)</i>		
Social security benefits	33	12.8	<1000	45	32.4
			1–5000	38	27.3
			5–15,000	46	33.1
			>15,000	10	7.2

<sup>a</sup>43.5% of the respondents completed the annual household income question.

<sup>b</sup>53.5% of the respondents completed the annual side activities income.

average annual household income in the research areas (EUR 30,650) (CBS Statline, 2008). Table 1 also shows the distribution of the side activity income. It appears that a small group (7.2%) earns more than EUR 15,000 per year from a side activity, indicating the economic importance to some households.

## The trigger to start a side activity

Exploring the start-up motives of side activities can bring into light the specific needs and aspirations of their owners and can reveal their socio-economic impacts for the development of rural areas. In order to understand what triggers people to start a side activity, we asked the owners to indicate their start-up motives.

First, in an open question, the respondents were asked to indicate their *main motive for starting their side activity* (Table 2). The majority of the owners (47.7%) start a side activity because it is their hobby and have a personal interest in the activity. As they further explained, they start a side activity because they enjoy it, because it is a way to express their talents and passions, or because they want to work outdoors in the garden or to interact with animals. These motives imply that the respondents draw from their personal aspirations and lifestyle needs to start a side activity. Similar motives are also reported in the supplementary activities of farmers. For example, Hendriksen and Klaver (1995) found that farmers start supplementary activities for fun or excitement. More specific motives reported in agritourism



**Table 2.** What was your main motive for starting your side activity? (Categories from open-ended question,  $n = 260$ ).

Categories	Valid % of total responses
Personal interest/hobby	47.7
Earn extra income	16.2
Available land/space	7.7
Unemployment/need	5.4
Work from home/childcare	4.2
Be my own boss	4.2
Social contacts	3.1
Environment/surroundings	2.3
Challenge	1.9
Need for the product/market	1.5
Overproduction <sup>a</sup>	1.2
Other	3.1

<sup>a</sup>Side activity owners can produce/create more products than they need, e.g. plants, vegetables, etc. and therefore decided to sell the rest as result of overproduction.

entrepreneurship showed that the desire for an appealing lifestyle or an interest and hobby also played an important role (McGehee and Kim, 2004). Lifestyle aspirations are also consistent with Gomez Velasco and Saleilles's study (2007) of lifestyle entrepreneurs in France, where the main motive for starting a small business was to live in the countryside, to have time for personal projects and to combine the business with a hobby, concluding that the lifestyle needs are important as a start-up motive. Although the start-up motives for side activities reveal similarities with other studies as described above, one has to take into account that side activities in prosperous rural areas, such as the Netherlands, often operate in a context where people are economically secure and do not, for example, strive for economic growth.

Although the owners were mainly inspired by motives related to personal development and lifestyle preferences, among them there were also people who

took into account economic rewards (16.2%). Some, for example, appreciate the 'additional' economic value of side activities. Economic motives are certainly not excluded as triggers for starting up. Studies of both farmers and non-farmers highlight the need for income generation. Nickerson et al. (2001) on agritourism businesses show that earning additional income is the main motive in farm households in Montana, whereas personal interests or hobbies do not play an important role. In contrast, studies of small businesses do not show an important role for profit making (Greenbank, 2001; Van Gelderen and Jansen, 2006), even less for lifestyle entrepreneurs (Kompola, 2004). It therefore seems that people with different entrepreneurial backgrounds (farmer, small business owner, side activity owner) are influenced differently in their start-up decision, depending also on the regional socio-economic contexts.

A possible reason for this differentiation is that side activities by definition do not provide a main source income. Furthermore, we have to emphasize that the respondents were in general in the fortunate position of a certain degree of economic security. Some of them had a full-time working partner, their own jobs in addition to the side activity, or they had income from social security benefits or a pension. Therefore, there was no necessity to make a living from the side activity – in contrast to farmers or full-time small business owners. After all, as noted earlier (Table 1), the additional income earned from side activities is quite small for the majority of the households.

Another type of motive highlighted during the interviews is the availability of physical space and land (7.7%). Many respondents either had a garden (accommodation, for example a mini-campsite or a tea garden), a barn (vacation apartment), an extra room in the house (pedicure salon)



**Figure 1.** Examples of side activities (clockwise: sale of own products, hair salon, canoe rental/bed and breakfast, sale of plants).

or a garage (glass atelier) to realize their side activities (Figure 1). It appears that the availability of specific resources is an enabling factor in the initiation of the side activity.

The other types of motives constitute the smallest group and, except for unemployment/need (e.g. sickness) which can be described as push factors, the rest are non-economic in nature and have a pulling start-up effect. For example, 'to be my own boss', 'to have social contacts', 'for the challenge' and 'to work from home/child-care' are motives which are not directly connected to economic rewards but which are situated in the personal development sphere. The above implies that side activity owners reflect upon their need to achieve a quality of life, that is, personal development, enrichment, self-realization and enjoyment. Therefore, we could say that they were able to align their entrepreneurial

activities to fit personal and household circumstances and their style of life.

To further refine the picture, the respondents were also asked in a closed-ended question to indicate various start-up motives in a five-point Likert scale, ranging from 1 = 'To no extent' to 5 = 'To a very great extent' on each of 17 different types of motive (Table 3).<sup>3</sup>

The analysis of the closed-ended question shows that the motive with the highest mean score (3.9) is 'to start a side activity because of personal interest/hobby' which coincides with the main motive found in the open-ended question, indicating the consistency of the respondents' most important answers. The challenge the activity offers (mean = 3.63), 'being my own boss' (mean = 3.24) and motives related to rural lifestyle (mean = 3.16) follow in importance. Furthermore, 'quality of life' and to develop a dream were also considered as playing an

**Table 3.** To what extent did the following aspects play a role in starting your side activity? ( $n = 260$ )

Motives	1 To no extent (valid % of responses)	2	3	4	5 To a very great extent (valid % of responses)	Median	Mean	SD
<i>Because of a personal interest/hobby</i>	16.7	3.5	7.4	18.2	54.3	5	3.90	1.50
Challenge	19.9	4.7	11.3	21.1	43.0	4	3.63	1.55
To be my own boss	31.1	10.1	5.1	11.3	42.4	4	3.24	1.76
Fits the rural lifestyle	29.0	7.8	12.5	19.2	31.4	4	3.16	1.63
Availability of own resources	27.5	7.8	16.5	18.0	30.2	3	3.16	1.59
Quality of life	27.5	8.2	16.1	21.2	27.1	3	3.12	1.57
Develop a personal idea/dream	30.2	8.9	13.2	17.1	30.6	3	3.09	1.64
<i>Extra income</i>	34.5	11.6	12.8	12.0	29.1	3	2.90	1.67
Personal growth	37.0	7.0	15.2	20.6	20.2	3	2.80	1.59
Contribute to society	35.0	10.5	17.9	17.9	18.7	3	2.75	1.54
Social contacts	40.4	5.9	18.4	15.7	19.6	3	2.68	1.59
Flexibility for personal/family life	51.8	6.7	9.8	12.9	18.8	1	2.40	1.63
Discovered a gap in the market	49.0	8.9	15.2	11.7	15.2	2	2.35	1.54
Because others were successful	73.3	7.8	9.4	4.3	5.1	1	1.60	1.14
Dissatisfaction over paid job	76.5	5.9	9.0	3.9	4.7	1	1.55	1.11
Family tradition	82.4	3.5	2.7	6.7	4.7	1	1.48	1.13
Because of unemployment	85.9	5.1	3.5	1.6	3.9	1	1.32	0.92

important role in starting a side activity. Taken together, these motives scored higher than pecuniary rewards, demonstrating once more the importance of side activities for a better quality of life and for a high level of well-being in the rural community in which they are located.

Interestingly, even though not the main motive mentioned in the open-ended question, income generation seems to carry more weight in the results to that question. There can be two main reasons for this. First, it suggests that people realized that non-economic motives actually played a more important role in starting their side activity than financial motives. Second, the answers may measure the same types of motives. For example, the self-interest motive can be further subdivided into components such as challenge, quality of life or to develop a dream.

Overall, in both type of questions, the respondents highlighted that starting a side

activity was a decision to cover a variety of intangible needs such as, personal, social, family organizational and less for financial betterment which is often emphasized in the conventional view of success based on economic advance (Tigges and Green, 1994).

### Between economic and non-economic needs

Because the 17 motives from the closed-ended question could overlap, we further wanted to see whether they could be grouped in distinct types of motive. A principal component analysis (PCA) was therefore conducted to identify possible underlying patterns. Prior to performing the PCA, the suitability of the data for factor analysis was assessed. Inspection of the correlation matrix revealed the presence of many coefficients of 0.3 and above. The Kaiser–Meyre–Olkin measure was 0.786, exceeding the recommended value of 0.6

**Table 4.** Principal component analysis of side activity motives (eigenvalues > 1).

Components	Rotation sums of squared loadings		
	Eigenvalues	% of Variance	Cumulative %
(F1) Individual aspirations and pursuits	4.08	24.00	24.00
(F2) Economic well-being and independence	1.83	10.76	34.76
(F3) Rurality and lifestyle	1.39	8.18	42.94

and Bartlett's Test of Sphericity reached statistical significance, supporting the factorability of the correlation matrix. Reliability analysis (Cronbach's alpha) produced coefficients higher than 0.5 indicating the internal consistency among the variables comprising each of the factors. The overall reliability measure was 0.782.

The PCA resulted in three factors that explain 42.94% of the variance. The scree plot revealed a clear break after the third component. In addition, the components are internally consistent conceptually, allowing for straightforward interpretation. Component 1 contributed 24.00% to the variance, component 2, 10.76% and the component 3, 8.18% (Table 4).

The first factor loads five individual motives (>.5), specifically motives related to the individual such as 'to develop a personal idea or a dream', 'to develop and grow as a person' and 'to achieve quality of life'. Furthermore, motives such as 'to meet a challenge' and 'because of hobby and personal interest' also score highly in this factor (Table 5). All these are related to the individual and his/her aspirations and pursuits. Thereby, this first factor is personal in nature, not specifically reflecting household needs. We label this factor as *internal aspirations and pursuits* (F1), explaining 24% of variance in the data and with an eigenvalue of 4.08.

The second factor loads four motives, explaining 10.76% of the total variance and with an eigenvalue of 1.83. The most important motives loading this factor are

'to earn extra income', because of 'dissatisfaction over paid job', 'to be my own boss' (independence) and because starting a side activity at the household provided flexibility for personal and family life. As these are associated with economic considerations and the need for independence, we labelled the second factor *economic well-being and independence* (F2).

The last factor includes two motives, namely, people start a side activity because it fits their rural lifestyle and because they have the available resources while living in the countryside (e.g. land/space). This suggests that this factor is associated with people living in rural areas and we labelled it the *rurality and lifestyle* factor (F3), explaining 8.18% of variance and with an eigenvalue of 1.39.

The factor analysis revealed that side activity proprietors pursue a combination of monetary (F2) and non-monetary motives (F1, F3) to start their activities. Although in general motives related to personal aspirations and economic well-being are often discussed in literature, both for farmers and for non-farmer entrepreneurs, what is interesting to note here is the factor related to 'rurality' and 'lifestyle', which is a more recently recognized phenomenon. Rurality as a start-up motive could be related to the representation of 'rural' as part of contemporary lifestyles for living, working and recreating (Woods, 2005), especially in western and advanced societies such as the Netherlands. The rural way of living is often associated with 'the search for

**Table 5.** Principal component analysis of start-up motives, rotated component matrix.

Motives	Component 1 Individual aspirations and pursuits	Component 2 Economic well-being and independence	Component 3 Rurality and lifestyle
Develop an idea/dream	<b>0.761</b>	0.227	0.036
Personal growth	<b>0.744</b>	0.186	0.038
Challenge	<b>0.723</b>	0.299	0.115
Quality of life	<b>0.584</b>	0.175	0.383
Hobby/interest	<b>0.553</b>	−0.260	0.087
Social contacts	0.338	−0.124	0.028
Contribute to society	0.315	0.147	0.358
Be my own boss	0.307	<b>0.732</b>	0.145
Availability of own resources	0.296	−0.064	<b>0.714</b>
Discovered a gap in the market	0.272	0.390	0.441
Fits the rural lifestyle	0.212	−0.165	<b>0.708</b>
Dissatisfaction with paid job	0.150	<b>0.569</b>	−0.111
Flexibility for personal/family life	0.126	<b>0.605</b>	0.182
Others were successful	0.002	0.173	0.451
Because of unemployment	−0.062	0.376	0.003
Extra income	−0.151	<b>0.681</b>	0.222
Family tradition	−0.183	0.110	0.428

Note: Bold items indicate loadings over 0.5.

the rural idyll by modern urbanities' (Blekesaune et al., 2010), 'the need for a less hurried lifestyle' (O'Reilly, 2007), for 'more space, quiet and green' (Van Dam et al., 2002) and also for the 'increased need for recreation in rural areas' (Steenbekkers et al., 2008), which could partly explain why individuals opt for starting a side activity in a rural setting, and perpetuate a 'rural' lifestyle via their side activities. Rural lifestyle is also emphasized in the open- and the closed-ended questions during the interviews, where the owners discussed how starting and maintaining side activities fit within their rural lifestyle.

## Conclusions

This study casts light on the motives of non-farmers rural inhabitants starting side activities in the Netherlands. The results indicated that there are three overarching motives governing the decision to start: (1)

*individual aspirations and pursuits*, (2) *economic well-being and independence* and (3) *rurality and lifestyle*. Even though we studied a specific group of start-ups, the motives broadly correspond to existing studies on small business ownership and diversification activities by farmers.

Examining the ordering of motives, the results illustrate that the importance of side activities is valued more in terms of lifestyle than economic returns. Side activities operated from the rural home play an important role in improving the quality of life and increasing the well-being of their owners. Through practicing side activities people want to enhance their quality of life. They act on a need to do something they enjoy and brings them pleasure, for their personal development and enrichment, all defining features of the 'quality of life' and 'well-being'. Economic motives are not excluded from the decision to start up. The owners do mention that the extra income was a



pleasant contribution to their household income. Still, in general, side activities do not seem to be started out of financial necessity.

The secondary role of motives related to earning additional income has a few implications in the context of side activities. First, it is unlikely that side activities are a sign of hidden unemployment. People start a side activity because they derive reward from having the activity and because it gives them an opportunity to use the resources that they have to their disposal and which may have remained idle otherwise. As such, few investments are needed and starting a side activity comes with few personal risks or potential disappointments as can be the case in more formal start-ups. Secondly, for side activity owners it is not a necessity to make a living from the activities. This non-economic direction suggests that people are unlikely to grow and transform their side activity into a main activity in the future (see also Markantoni et al., 2013b). Side activity owners opt for different types of pay-off, namely the opportunity for a better lifestyle. At this point, it should be emphasized that side activity owners are in general in the fortunate position of economic security. Therefore, for most side activity owners, it is not a prerequisite to make a living from these businesses.

### *Policy guidance*

Although in general mainstream, rural policies do not take rural side activities by non-farmers rural residents into account, the sheer size of the group warrants more attention to the phenomenon. The current study has two immediate implications. The finding that people start side activities mainly for non-economic reasons suggests policies to provide not only financial but, perhaps more importantly, also personal and intangible incentives to facilitate side activities carried out from rural locations, for

example, by promoting training aimed at developing specific entrepreneurial skills. Furthermore, the non-economic orientation of the owners implies that side activities will probably stay small-scale and are not a threat of the physical environment and the character of the countryside. Therefore, legislation aimed at mitigating potential nuisances as a result of expansion of the side activities does not seem necessary. Rather, we would argue that municipalities should appreciate their potential role in providing services and facilities and diversifying rural activities.

In general, the discussions regarding the potential negative effects of side activities would profit from an increased awareness that this group of entrepreneurs are not in search of a main source of income and do not opt to set up a big business but rather a small activity that contributes to improve the well-being and the quality of life, for the owner but also for the community at large as they create places for social interactions. Furthermore, recent research in the Veenkoloniën (Delfmann et al., 2013) showed that side activities also play an important role for elderly people in rural areas, offering them a quiet place to spend their time but also an affordable place. Stemming from the results above, we suggest that municipalities can play an important role in offering educational and learning services in their local communities ('dorpshuis') through their 'Community Education' programmes ('volwasseneducatie') helping people pursue a hobby and an activity they like and contribute as the results illustrated to the socio-economic development of their community.

### *Future research recommendations*

As the objective was to present an overview of motives, this study did not focus on a specific geographical area. This implies that the results cannot be used to interpret



the motives of a particular situational and geographical context (e.g. unemployment in the region, the characteristics of rural areas or remoteness). What characterizes the research area is the relatively highly urbanized countryside of the Netherlands, implying that cities are accessible from rural areas more easily than in other rural parts of Europe. This could suggest that rural residents do not have to find a local job as urban areas are easily accessible. The latter could influence start-up motives, such as the finding that they are less economically oriented.

This paper has sought to examine the start-up motives of non-farmers' side activities. However, further and more detailed research is required to build on the findings exploring the life cycle of the individual and the household in relation to the different types of motives, possibly by adopting a qualitative approach. This paper has taken one step towards this end. It has shown that side activity owners are characterized by their personal non-economic incentives rather than just financial betterment. The implications of such a choice could also have an impact for the development and the resilience of rural communities. Previous research on rural micro businesses shows their crucial role in increasing the diversification of the local economy and in building wider rural community resilience (Steiner and Atterton, 2014). For side activities, we argue that people who own and run a side activity could be a valuable source of entrepreneurial spirit within the communities in which they are located and especially because they are motivated mainly by intangible motives, they can further help to improve the quality of life, well-being and resilience of rural areas.

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### Notes

1. Many studies have explored the terminology about the origin of off-farm employment. Terms such as *part-time farming*, *multiple job holding* and *pluriactivity* have been proposed to overcome ambiguities (Bessant, 2000). As the aim of the paper is not to examine different terms, when we refer to the supplementary activities of farmers we refer to pluriactivity. According to Fuller (1990), pluriactivity includes a broader range of activities from farm and non-farm sources.
2. Education level of the Dutch working population in the 36 municipalities: primary 26.4%, secondary 50.8%, and higher education 23.1% (Broersma et al., 2010).
3. The standard deviations are relatively high, indicating that the distribution is skewed. To check that, we present the median where no severe differences are observed.

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